

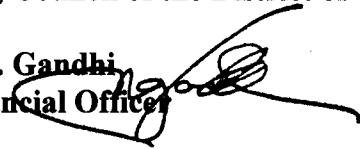
**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: July 8, 2010

SUBJECT: Fiscal Impact Statement – “Supermarket Tax Abatement
Clarification Emergency Act of 2010”

REFERENCE: Draft as shared with the OCFO on July 7, 2010

Conclusion

Funds are sufficient in the FY 2011 through FY 2014 budget and financial plan to implement the provisions of the proposed legislation. Enactment of the proposed legislation does not have an impact on the District’s budget and financial plan; the legislation would correct the list of qualified entities which are eligible for tax exemptions after October 1, 2010.

Background

The proposed legislation would amend the Supermarket Tax Incentive Act of 2000¹ (“Act”) to clarify that only “qualified restaurants or retail stores” would not be eligible for the supermarket tax incentives beginning on or after October 1, 2010 until the fiscal effect of any such new exemptions is included in an approved budget and financial plan. The Fiscal Year 2011 Budget Support Act of 2010 amended the D.C. Official Code to include “qualified supermarkets” among the list of entities that would not be eligible after October 1, 2010; however, the fiscal effect of providing qualified supermarkets these tax incentives has already been incorporated in the budget and financial plan.

¹ Effective October 4, 2000 (D.C. Law 13-166; D.C. Official Code § 47-3802 *et seq.*)

Financial Plan Impact

Funds are sufficient in the FY 2011 through FY 2014 budget and financial plan to implement the provisions of the proposed legislation. The proposed legislation does not have an impact on the District's budget and financial plan, as the cost associated with allowing qualified supermarkets to claim the tax incentives offered under the Act has already been incorporated in the budget and financial plan.